

Prescription Drug Coverage General Information

2018 MEDICARE PART D DEFINITIONS AND COSTS:

- Part D is Medicare's prescription drug insurance program. It is offered solely through private insurance plans that contract with Medicare to provide the benefit. In 2018 Wisconsin has 24 Medicare Part D plans.
- All Medicare Prescription Drug Plans (PDPs) have a monthly **premium**, which is an amount of money you have to pay each month to have a plan and it remains fixed throughout the entire calendar year. In 2018, the range of monthly premiums is \$19.70 to \$157.70. Some plans have an **annual deductible**, which is where you have to pay full costs for your medications until you reach the deductible amount. The deductible can't go above \$405 in 2018, however, some plans do not have a deductible at all.
- Most PDPs have **coinsurance or co-payments** that you are responsible for paying each time you purchase medication. Co-payments are a set amount you pay for each prescription, usually higher for brand name drugs. Coinsurance is a percentage of the drug cost that you pay.
- All plans have a **coverage gap or donut hole** which occurs in 2018 if your **total drug costs** reach approximately \$3,750 (or sometimes more depending on the plan). From provisions that are included in the Affordable Care Act, the burden of the coverage gap to you is lessening. You used to have to pay full price for your medications, while continuing to pay your premium. In 2018 you will have to pay **35%** of your **brand name** drugs and **44%** of your **generic** medications until your total **out-of-pocket** costs PLUS the **discounts you are receiving** reach approx. \$5,000. If your total drug costs never reach \$3,750, you will never be in the coverage gap. There are some plans that cover 100% of generic medications during this gap. Although, you may not receive a benefit from this type of plan, because often the higher cost of the premium outweighs the benefit of generics paid.
- If your out-of-pocket costs, PLUS the discounts you are receiving during the gap reach \$5,000, you receive **catastrophic coverage**. In catastrophic coverage, you pay copayments in the amount of \$3.33 for generics and \$8.35 for brands in 2018, or 5% coinsurance for covered drugs, whichever is greater, for the rest of the year.
- You will be assessed a **penalty** in the form of an increased premium for months that you are entitled to, and not enrolled in, Part D or other **creditable drug coverage** (such as an employer plan, retiree plan, VA coverage or SeniorCare). This penalty is based on the national base beneficiary premium amount, which is \$35.02 in 2018.
- There is **Extra Help** available called a **Low Income Subsidy (LIS)** that is based on your income and assets. If you are an individual with a gross income less than \$1,507.50/month and assets are under \$13,820 OR if you are married and your combined gross income is less than \$2,030/month and assets are under \$26,100, you may qualify for this. You can contact Social Security in Eau Claire and apply over the telephone @ 1-866-815-2924 or on-line @ www.ssa.gov or you can call your local Benefit Specialist, which in St Croix County is 715-381-4360.

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DRUG COVERAGE:

- Not all Part D plans cover all prescription drugs. Each Part D plan has a list of drugs it will cover called a **formulary**. For some drugs, plans might require **prior authorization**, or may require your physician to try a different drug first (**step therapy**). It is important to check the restrictions on each of your medications before deciding on a plan.
- The exclusion of coverage for Benzodiazepines and Barbiturates was lifted starting 1/1/2013. Their coverage is still subject to other rules, such as medically acceptable indications – such as epilepsy, cancer pain, and treatment of chronic mental illness, but coverage will be offered in many plans.
- In addition, formularies can and do change. Be sure to select a plan that covers as many of your prescription drugs as possible and review your plan and the changes each year during the **Annual Enrollment Period** which is **October 15 – December 7**. This can be done through Medicare's website @ www.medicare.gov.

AVAILABILITY/PHARMACIES

- It is very important to check to see if your pharmacy is a preferred pharmacy under your plan as it may impact your costs. Pharmacies may not honor every available drug plan. Be sure to select a plan that is honored by a pharmacy you are comfortable using. Some plans also offer mail-order prescription services, often at a lower cost.
- Not every plan is a national plan. If you travel, make sure your plan will work where ever you are going.
- If you belong to a Medicare Advantage Plan which includes managed care, you may be required to enroll in a PDP offered by that plan.

SENIORCARE, 1-800-657-2038, www.dhs.wi.gov/seniorcare/

- Wisconsin's state drug plan which is creditable drug coverage, so no Part D penalty
- You have to be age 65 or older, on Medicare and a Wisconsin resident
- Benefit received depends on your income, there are four levels of coverage, the higher your income, the higher your deductible
- There is a \$30 annual application fee per person, but no monthly premium
- You can complete an application at any time of the year and your enrollment is typically effective the month after application is received
- If you have this plan and are satisfied, you do not need to do anything other than re-new your SeniorCare coverage when you get your notice in the mail.

OTHER CREDITABLE Rx COVERAGE

- Employer/Retiree Group Prescription coverage (need to check with Employer)
- Military/Veteran's Prescription coverage
- Will NOT incur penalty with Part D if you have "Creditable" Rx coverage elsewhere.

NON CREDITABLE PRESCRIPTION PROGRAMS

- Discount Programs (NACo, Badger Rx Gold, etc.)
- Canadian Mail Order
- Pharmaceutical Patient Assistance Programs